

SCHEDULE M-3
(Form 1120-L)

Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation for U.S. Life Insurance
Companies With Total Assets of \$10 Million or More

▶ Attach to Form 1120-L.
▶ See separate instructions.

OMB No. 1545-0128

2006

Name of corporation (common parent, if consolidated return)

Employer identification number

Check applicable box(es): (1) ☐ Non-Consolidated return (2) ☐ Consolidated return (Form 1120-L only)
(3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?											
<input type="checkbox"/> Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.											
<input type="checkbox"/> No. Go to line 1b.											
b Did the corporation prepare a certified audited income statement for that period?											
<input type="checkbox"/> Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.											
<input type="checkbox"/> No. Go to line 1c.											
c Did the corporation prepare an income statement for that period?											
<input type="checkbox"/> Yes. Complete lines 2a through 11 with respect to that income statement.											
<input type="checkbox"/> No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4.											
2a Enter the income statement period: Beginning / / Ending / /											
b Has the corporation's income statement been restated for the income statement period on line 2a?											
<input type="checkbox"/> Yes. (If "Yes," attach an explanation and the amount of each item restated.)											
<input type="checkbox"/> No.											
c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?											
<input type="checkbox"/> Yes. (If "Yes," attach an explanation and the amount of each item restated.)											
<input type="checkbox"/> No.											
3a Is any of the corporation's voting common stock publicly traded?											
<input type="checkbox"/> Yes.											
<input type="checkbox"/> No. If "No," go to line 4.											
b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
4 Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4										
5a Net income from nonincludible foreign entities (attach schedule)	5a	()									
b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)	5b										
6a Net income from nonincludible U.S. entities (attach schedule)	6a	()									
b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)	6b										
7a Net income of other includible entities (attach schedule)	7a										
b Net loss of other includible entities (attach schedule)	7b	()									
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)	8										
9 Adjustment to reconcile income statement period to tax year (attach schedule)	9										
10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule)	10a										
b Other statutory accounting adjustments to reconcile to line 11 (attach schedule)	10b										
c Other adjustments to reconcile to amount on line 11 (attach schedule)	10c										
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11										

Name of corporation (common parent, if consolidated return)	Employer identification number
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120-L group (7) <input type="checkbox"/> 1120-L eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part II **Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return** (see instructions)

Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return (optional)
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed . . .				
3 Subpart F, QEF, and similar income inclusions . . .				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed . . .				
6 Income (loss) from equity method U.S. corporations . . .				
7 U.S. dividends not eliminated in tax consolidation . . .				
8 Minority interest for includible corporations . . .				
9 Income (loss) from U.S. partnerships (attach schedule) . . .				
10 Income (loss) from foreign partnerships (attach schedule)				
11 Income (loss) from other pass-through entities (attach schedule)				
12 Items relating to reportable transactions (attach details)				
13 Interest income				
14 Accrual of bond discount				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Deferred and uncollected premiums				
18 Sale versus lease (for sellers and/or lessors) . . .				
19 Section 481(a) adjustments				
20 Amortization of interest maintenance reserve . . .				
21 Original issue discount and other imputed interest				
22 Market discount reclassification				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets				
24 Capital loss limitation and carryforward used . . .				
25 Other income (loss) items with differences (attach schedule)				
26 Total income (loss) items. Combine lines 1 through 25				
27 Total expense/deduction items (from Part III, line 39)				
28 Other items with no differences				
29a Life insurance subgroup reconciliation totals. Add lines 26 through 28				
b 1120 subgroup reconciliation totals				
c PC insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c				

Note. Line 30, column (a) must equal the amount on Part I, line 11, and column (d) must equal taxable income on Form 1120-L, page 1, line 20.

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Check if a sub-consolidated: (6) <input type="checkbox"/> 1120-L group (7) <input type="checkbox"/> 1120-L eliminations	
Name of subsidiary (if consolidated return)	Employer identification number

Part III **Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items** (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return (optional)
1 U.S. current income tax expense				
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Equity-based compensation				
9 Capitalization of deferred acquisition costs				
10 Amortization of deferred acquisition costs				
11 Meals and entertainment				
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing				
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property				
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Change in section 807(c)(1) tax reserves				
23 Change in section 807(c)(2) tax reserves				
24 Change in all other section 807(c) tax reserves				
25 Section 807(f) adjustments for change in computing reserves				
26 Section 807(a)(2)(B) tax reserve amount with respect to policyholder share of tax-exempt interest				
27 Current year acquisition/reorganization costs (attach schedule)				
28 Amortization of acquisition, reorganization, and start-up costs				
29 Amortization/impairment of goodwill, insurance in force and ceding commissions				
30 Other amortization or impairment write-offs				
31 Section 846 amount				
32 Depreciation				
33 Bad debt expense/agency balances written off				
34 Corporate owned life insurance premiums				
35 Purchase versus lease (for purchasers and/or lessees)				
36 Interest expense				
37 Domestic production activities deduction				
38 Other expense/deduction items with differences (attach schedule)				
39 Total expense/deduction items. Combine lines 1 through 38. Enter here and on Part II, line 27				

